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TO RUEHC/SECSTATE WASHDC PRIORITY 6491
INFO RUEATRS/DEPT OF TREASURY WASH DC PRIORITY

C O N F I D E N T I A L KUALA LUMPUR 000750

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STATE FOR T, EAP, ISN
STATE PLEAE PASS TO NSC (STEPHENS)
TREASURY PLEASE PASS TO FINCEN

E.O. 12958: DECL: 04/25/2016
TAGS: [EFIN](#) [KJUS](#) [KTFN](#) [KNNP](#) [MNUC](#) [PARM](#) [PREL](#) [MY](#)
SUBJECT: MALAYSIA RESPONSE TO ADDITIONAL TANCHON COMMERCIAL
BANK ACCOUNTS

REF: SECSTATE 55463

Classified By: Economic Counselor Colin Helmer. Reason 1.4(d)

¶1. (C) Summary: On April 25, Econoff delivered talking points and non-paper detailing additional information on Tanchon Commercial Bank to Koid Swee Lian, Director of the Financial Intelligence Unit (FIU) at Bank Negara Malaysia, the central bank. Koid responded the next day that neither Malayan Banking Berhad (Maybank) nor Bank Negara had been able to find any data linking Tanchon to the bank's Singapore branch. Koid requested further details on the alleged relationship so that Bank Negara may pursue it and confirm whether it in fact exists. Koid also requested information on the process for correcting USG records of suspicious transactions. If Bank Negara confirms that there is no relationship between Maybank and Tanchon, she would like to ask that this allegation be expunged from the record. There is an action request in paragraph 4. End Summary.

¶2. (U) On April 25, Econoff delivered talking points and non-paper detailing additional information on Tanchon Commercial Bank to Koid Swee Lian, Director of the Financial Intelligence Unit (FIU) at Bank Negara Malaysia, the central bank. Koid thanked Econoff and explained that the FIU would send out the data to its constituent banks that day. She stated clearly that she took the information about Tanchon and Maybank very seriously and would follow up immediately.

¶3. (C) Koid contacted Econoff the next morning, explaining that Bank Negara had called both Maybank headquarters in Kuala Lumpur and Maybank's Singapore branch. Both denied any connection to the North Korean bank. They checked both their trade finance division and remittances and could find no record of Tanchon. Koid said Maybank employs an identification system that should reject any transactions from Tanchon. (Note: Koid mentioned that this software is called SIDE OFAC. It is a traffic filtering solution with all of the names listed by OFAC entered into its database that automatically blocks transactions from those institutions and individuals. Tanchon is included in its database. End Note.) Bank Negara asked Maybank to look again to be sure, and specifically requested that Maybank look for an indirect transaction, such as currency exchange, where Tanchon might have originated an action through one or more intermediate banks.

¶4. (C) Action Requested: Koid requested further data on the alleged link between Tanchon and Maybank so that Bank Negara can confirm whether such a relationship exists. Koid also requested information on the process for correcting USG records of suspicious transactions. If Bank Negara confirms that there is no relationship between Maybank and Tanchon,

she would like to ask that this allegation be expunged from the record. In view of our close working relationship with the FIU, and the importance of this relationship for our counterterrorism finance cooperation with Malaysia, post requests Washington guidance for responding to Koid's request. If a complete response will require more than a few days, post requests an interim response that will allow us to assure FIU staff that we are taking this matter seriously.

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